

A resolution

urging the President and the Congress of the United States to refuse to enact cap-and-trade legislation that would negatively impact Americans by increasing the costs of goods and services and instead enact legislation that encourages states to establish and develop their own renewable energy portfolio standards.

WHEREAS, President Barack Obama has proposed legislation to the United States Congress to implement a cap-and-trade emissions trading system that would establish a cap on greenhouse gas emissions, require those who emit greenhouse gases to purchase government credits to offset emissions, and allow those emitters to trade or sell those credits; and

WHEREAS, companies that are required to participate in the cap-and-trade program will ultimately pass the cost of participation in the program on to consumers. The Congressional Budget Office estimates that price increases resulting from a 15 percent cut in greenhouse gas emissions would cost the average household between 1.7 and 3.3 percent of its after-tax income every year, with households in the bottom fifth of the income scale losing the largest share of income; and

WHEREAS, the combustion of coal produces more than 50 percent of the electricity generated in the United States, with Minnesota receiving a large portion of its electricity from coal. Thus, the cap-and-trade program will result in massive increases in energy costs for all consumers because the cost to produce electricity from coal will be markedly higher. The increased energy costs will disproportionately impact states in the middle part of the United States such as Minnesota that are more reliant on coal. The Congressional Budget Office has acknowledged that these increases in energy costs will effectively act as a regressive tax affecting every household in the nation, with a disproportionate effect on poorer families; and

2.1           WHEREAS, the proposed cap-and-trade plan will make Minnesota less attractive to  
2.2 businesses and further damage Minnesota's ability to attract and retain jobs in manufacturing and  
2.3 other sectors of the economy. Minnesota needs to position itself as a state that is welcoming to  
2.4 industry and does not act in a manner that is detrimental to its current and future employers; and

2.5           WHEREAS, the cap-and-trade program as proposed will result not only in massive windfall  
2.6 of hundreds of billions of dollars for the federal government through the sale of emissions credits,  
2.7 but also in the loss of hundreds of thousands of jobs. The program ultimately will not result in the  
2.8 overall global decrease of greenhouse gas emissions because those industries that emit greenhouse  
2.9 gas, if they are able to do so, will merely relocate to countries with less stringent standards and  
2.10 continue to operate, and those countries are not poised to cap their carbon emissions; and

2.11           WHEREAS, any proposed new environmental or energy legislation enacted by Congress  
2.12 should promote and encourage new technologies such as zero-emission advanced nuclear power,  
2.13 biomass energy, fuel cells, and clean coal with carbon capture and sequestration with a goal to  
2.14 bring such technologies to market as quickly as possible. The regulatory, liability, and legal  
2.15 barriers that prevent these technologies from being commercialized and deployed should be  
2.16 addressed before any cap is imposed on greenhouse gas emissions; NOW, THEREFORE,

2.17           BE IT RESOLVED by the Legislature of the State of Minnesota that it urges the President  
2.18 and the Congress of the United States to refuse to enact cap-and-trade legislation that would  
2.19 negatively impact Americans by increasing the costs of goods and services and instead enact  
2.20 legislation that encourages states to establish and develop their own renewable energy portfolio  
2.21 standards.

2.22           BE IT FURTHER RESOLVED that the Secretary of State of the State of Minnesota is  
2.23 directed to prepare copies of this memorial and transmit them to the President of the United States,  
2.24 the President and the Secretary of the United States Senate, the Speaker and the Clerk of the United  
2.25 States House of Representatives, and Minnesota's Senators and Representatives in Congress.